

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 93-099-C - ORDER NO. 93-333

APRIL 9, 1993

IN RE: Application of ALLTEL South Carolina, Inc. ) ORDER  
for Approval of Revised Depreciation Rates. ) APPROVING  
 ) REVISED  
 ) DEPRECIATION  
 ) RATES

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed February 5, 1993, by ALLTEL South Carolina, Inc. (ALLTEL SC or the Company) requesting approval of revised depreciation rates. This Application was filed pursuant to S.C. Code Ann. Section 58-9-350 (Law. Co-op. 1976) and R.103-830 et seq of the Commission's Rules of Practice and Procedure.

By letter dated February 22, 1993, the Commission's Executive Director instructed the Company to publish one time a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of the nature of the Company's request and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Thereafter, the Company provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was filed by Steven W. Hamm, the

Consumer Advocate for the State of South Carolina (the Consumer Advocate). The Consumer Advocate subsequently notified the Commission, however, that he did not wish to participate further in the proceedings. No other Protests or Petitions to Intervene were received.

Discussions among representatives from ALLTEL SC, the Commission Staff, and the Consumer Advocate, were convened to address the need of ALLTEL SC to revise its depreciation rates. Pursuant to these discussions, the parties reached an agreement which was reflected by letter of ALLTEL SC dated March 19, 1993, in which ALLTEL SC amended its Application with a schedule of amended depreciation rates. According to the Amended Application, the revised depreciation rates would not result in a request to increase customer rates.

By letter dated March 25, 1993, the Consumer Advocate advised the Commission of the fact that he did not wish to participate further in these proceedings due to the filing of the amended depreciation rates by ALLTEL SC. The Consumer Advocate also requested that the Commission approve ALLTEL SC's revised request.

Based on the Commission's review of the Company's amended Application and the record in this case, the Commission makes the following findings of fact:

**FINDINGS OF FACT**

1. That ALLTEL SC is a South Carolina corporation owning and operating equipment and facilities for the transmission of

intelligence for hire in this State and is a telephone utility within the meaning of S.C. Code Ann. Section 58-9-10(6), (Law. Co-op. 1976) whose intrastate operations are subject to the jurisdiction of this Commission.

2. That this Commission has the authority to prescribe ALLTEL SC's intrastate depreciation rates regardless of any action taken by the F.C.C., pursuant to the Louisiana Public Service Commission v. F.C.C. case. That at the onset, it must be established that the Commission has the authority to prescribe ALLTEL SC's intrastate depreciation rates. S.C. Code Ann. Section 58-9-350 (Law. Co-op. 1976) states that: "[e]very telephone utility shall have the right, and may be so required to charge annually as an operating expense a reasonable sum for depreciation and credit it to a reserve account for such purpose..." This Code section also provides that the Commission may control or limit a telephone utility's depreciation reserve. It also states, however, that "[n]othing in this section shall be construed to be in conflict with or in violation of the provisions of the Communications Act ... of 1934 ... nor ... any lawful order of the Federal Communications Commission." Prior to this depreciation request, the United States Supreme Court issued its landmark depreciation decision in 1986. In Louisiana Public Service Commission v. F.C.C., 476 U.S. 355 (1986), the Supreme Court held that the F.C.C. did not possess broad authority to prescribe depreciation rates for both the telephone utilities interstate and intrastate operations and could not preempt the states in this area. The

Court stated that the right to set intrastate depreciation rates was reserved for the states by virtue of 47 U.S.C. §152(b). The Commission finds that S.C. Code Ann. Section 58-9-350 (Law. Co-Op. 1976) is not in conflict with the Communications Act of 1934 nor with any lawful order of the F.C.C. The Commission further finds that it has the authority to prescribe ALLTEL SC's intrastate depreciation rates herein.

3. That on February 5, 1993, the Company filed a request with the Commission seeking an adjustment in certain depreciation rates.

4. That following discussions with all parties, the Company amended its Application on March 19, 1993, by filing with the Commission a schedule of amended depreciation rates.

5. That based on the Company's Amended Application containing the schedule of amended depreciation rates, the Consumer Advocate stated that he did not wish to participate further in the proceedings and urged the Commission to approve the Company's request.

6. That by its schedule of amended depreciation rates, the Company is not seeking an increase in any of its authorized charges to its subscribers.

7. That the schedule of amended depreciation rates has been agreed to by all parties to this proceeding.

Based upon the above, the Commission makes the following conclusions of law:

CONCLUSIONS OF LAW

1. That this Commission has jurisdiction and the authority to prescribe ALLTEL SC's intrastate depreciation.

2. That the Company's schedule of amended depreciation rates as set forth in Appendix A is reasonable.

3. That such depreciation rates should be approved effective January 1, 1993.

4. That due to the agreement among the parties which resulted in the filing of the schedule of amended depreciation rates a hearing on this matter is no longer needed, and the hearing is hereby cancelled.

IT IS THEREFORE ORDERED:

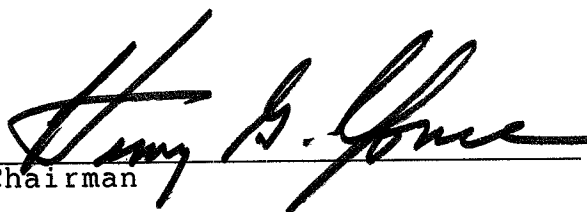
1. That the Company's proposed Depreciation Rates, as set forth in Appendix A, are hereby approved for all plant accounts proposed.

2. That the Depreciation Rates approved herein shall be effective as of January 1, 1993.

3. That the docket in this matter should be closed.

4. That this Order shall remain in full force and effect  
until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

APRIL 9, 1993

## APPENDIX A

ALLTEL SOUTH CAROLINA  
DEPRECIATION RATES

ACCOUNT		PREVIOUS	** APPROVED ** EFFECTIVE 1/1/93
2112.1	Motor Vehicles-Passenger	13.10%	—
2112.2	— Lt. Trucks & Vans	10.20%	—
2112.3	— Heavy Trucks	8.00%	—
2112.1 - 3	@ Motor Vehicles	—	9.40%
2116.1 & 4	Other Work Equip.- Tools & Work Eq.	6.50%	—
2116.2	— Buried Cable Tools & Work Eq.	6.50%	—
2116	@ Other Work Equipment	—	4.40%
2121	Buildings	2.50%	2.30%
2122.1	Furniture & Fixtures	5.60%	7.50%
2123.1	Office Equipment - Office Machines	9.50%	—
2123.2	— Company Communications Equip.	10.00%	—
2123.1 & 2	@ Office Machines & Co. Comm. Equip.	—	8.20%
2124	General Purpose Computers	14.30%	23.10%
2212	Digital Switching	7.00%	7.70%
2232.1	Circuit Equip. - Analog Trunk Carrier	10.50%	—
2232.2	— Analog Subscriber carrier	24.50%	—
2232.3	— CO Line Treatment	10.50%	—
2232.4	— Analog Private Line Special Services	10.50%	—
2232.1 - 4	@ Analog Circuit Equipment	—	3.40%
2232.5	Circuit Equip. - Digital Trunk Carrier	7.90%	—
2232.6	— Digital Subscriber carrier	8.30%	—
2232.8	— Digital Pair Gain	8.30%	—
2232.9	— Digital Pvt. Line Special Services	10.50%	—
2232.5-6, 8-9	@ Digital Circuit Equipment	—	9.20%
2232.7	Circuit Equip. - Fiber Optic Carrier	8.30%	9.80%
2351.1 & 3	Public Telephones	9.80%	11.10%
2362.2	OTE - Regulated Devices for the Deaf	.00%	.30%
2411	Poles	7.90%	6.30%
2421.1	Aerial Cable - Metallic	5.80%	8.30%
2421.2	— Fiber Optic	6.00%	5.30%
2422.1	Underground Cable - Metallic	3.50%	4.10%
2422.2	— Fiber Optic	4.40%	4.60%
2423.1	Buried Cable - Metallic	4.20%	5.40%
2423.2	— Fiber Optic	4.20%	5.70%
2431.1	Aerial Wire	12.50%	17.90%
2441.1	Conduit Systems	2.00%	1.90%

@ = Primary Account, Composite of sub-accounts